



CITY OF DURHAM | NORTH CAROLINA

Date: May 19, 2014

To: Thomas J. Bonfield, City Manager
From: Karmisha R. Wallace, Senior Assistant to the City Manager
Subject: 2014 Short Session Legislative Agenda

Executive Summary

In an effort to ensure that key issues impacting the City of Durham remain at the forefront of the N.C. General Assembly; the City Administration, in collaboration with the Durham City Council, develops a Legislative Agenda. The City Council Legislative Committee met on May 16, 2014 to review the proposed Legislative Agenda for the 2014 Short Session of the N.C. General Assembly. The Legislative Committee unanimously approved the proposed Agenda and requested that two advocacy items be added to the agenda. The revised Legislative Agenda is now being presented to the full City Council for consideration.

Recommendation

Staff recommends that the City Council adopt the 2014 Short Session Legislative Agenda.

Background

Each year, the City Administration reviews various legislative issues that could impact the citizens and/or businesses in Durham. These issues are vetted among relevant City departments and stakeholders and are presented to the City Manager for further review and consideration; after which, proposals are presented to the City Council Legislative Committee. Staff met with the Committee on Friday, May 16, 2014 and discussed the following:

Local Bill Request

An Act to Allow the City of Durham to Allow payment for On-Street Parking by Various Means Including Currency, Credit Card or Electronic Means And to Use Proceeds Collected From On-Street Parking for Parking Programs and Providing Parking Facilities

Purpose of the Bill:

1. Allows for other methods of payment, besides coins or tokens, for on-street parking
2. Allows the City to use on-street parking proceeds for operating the parking program and for providing parking facilities

Advocacy Requests

- 1) OPPOSE cap on Privilege License Fee
- 2) OPPOSE cap on Property Tax Revenues
- 3) OPPOSE restrictions on Local Tree Ordinances
- 4) OPPOSE legislation that repeals protest petitions
- 5) OPPOSE legislation that restricts Proactive Rental Inspection Program

Issues/Analysis

- There are no costs associated with the proposed local bill, but if enacted, the revenues collected could be used for parking enforcement as well as other transportation purposes.
- The legislation that has been proposed regarding privilege license fees (*HB 1050 Omnibus Tax Law Changes*) would have an impact on the City's revenues. As proposed, cities across North Carolina would be prohibited from charging more than \$100 for a privilege license. If the City of Durham requires all privilege license holders to pay \$100 (some currently pay less than \$100), the City anticipates a loss of \$1.9M which is equivalent to .77 cents on the tax rate. Assuming the City doesn't make any changes to license holders currently paying less than \$100, the loss is estimated to be \$2.2M which is equivalent to .92 cents on the tax rate.
- *SB 786 Energy Modernization Act* includes a provision to cap city tax revenues at 8% of the previous year. A cap on tax revenues could negatively impact the City, and many unanswered questions remain about the provision (e.g., does the provision apply to new debt, how would cities account for new businesses moving to the area, what happens if a city exceeds the 8% cap, etc.).
- A draft bill (*Authority to Adopt Local Ordinances*) has been introduced in the Agriculture and Forestry Awareness Study Commission that prevents cities and counties from regulating "the removal, replacement, and preservation of trees on private property within its jurisdiction." The Durham Environmental Affairs Board and the Board of Keep Durham Beautiful have adopted resolutions opposing the bill and the City Council is being asked to adopt a similar resolution included in the Legislative Agenda.
- City staff remains concerned about any legislation that includes a repeal of protest petitions or restricts the City's Proactive Rental Inspection Program.

Alternatives

City Council could disapprove the proposed 2014 Short Session Legislative Agenda or modify it to include or eliminate specific items of concern.

Financial Impact

There are no ongoing costs associated with the approval of the 2014 Short Session Legislative Agenda.

SDBE Summary

There are no SDBE requirements for the Legislative Agenda.